

**INSTITUTE FOR INDIAN
DEVELOPMENT, INC.**

Financial Report

Year Ended June 30, 2009

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Institute for Indian Development, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of Institute for Indian Development, Inc. (a nonprofit corporation) as of June 30, 2009, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Institute for Indian Development, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Institute for Indian Development, Inc. as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2012, on our consideration of Institute for Indian Development, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Institute for Indian Development, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards included in the Single Audit Section in the table of contents is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana

January 16, 2012

FINANCIAL STATEMENTS

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2009

ASSETS

Current assets:	
Cash	\$ 17,472
Receivables:	
Grant	79,582
Other	2,001
Due from Inter-Tribal Council	<u>3,151</u>
Total current assets	<u>102,206</u>
Non-current assets:	
Equipment	13,185
Less: accumulated depreciation	<u>(8,542)</u>
Total non-current assets	<u>4,643</u>
Total assets	<u>\$106,849</u>

LIABILITIES & NET ASSETS

Current liabilities:	
Cash overdraft	\$ 20,791
Accounts payable	25,056
Accrued payroll	24,745
Deferred revenue	3,065
Due to Inter-Tribal Council	32,325
Compensated absences payable	<u>4,948</u>
Total current liabilities	110,930
Long-term liabilities:	
Compensated absences payable	<u>7,422</u>
Total liabilities	<u>118,352</u>
Net assets:	
Unrestricted	(13,356)
Temporarily restricted	<u>1,853</u>
Total net assets (deficit)	<u>(11,503)</u>
Total liabilities & net assets	<u>\$106,849</u>

The accompanying notes are an integral part of this statement.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Statement of Activities
For The Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and support:			
Contributions	\$ 4,094	\$ -	\$4,094
Federal grants	<u>2,099,698</u>	<u>-</u>	<u>2,099,698</u>
Total revenues	<u>2,103,792</u>	<u>-</u>	<u>2,103,792</u>
Expenses:			
Program services -			
Social services	247,906	-	247,906
Employment assistance	<u>1,852,385</u>	<u>-</u>	<u>1,852,385</u>
Total program services	<u>2,100,291</u>	<u>-</u>	<u>2,100,291</u>
Supportive services -			
Management and general	9,173	119	9,292
Depreciation expense	<u>958</u>	<u>-</u>	<u>958</u>
Total supportive services	<u>10,131</u>	<u>119</u>	<u>10,250</u>
Total expenses	<u>2,110,422</u>	<u>119</u>	<u>2,110,541</u>
Change in net assets	(6,630)	(119)	(6,749)
Net assets, beginning of year	<u>(6,726)</u>	<u>1,972</u>	<u>(4,754)</u>
Net assets, end of year	<u>\$ (13,356)</u>	<u>\$ 1,853</u>	<u>\$ (11,503)</u>

The accompanying notes are an integral part of this statement.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Statement of Cash Flows
For The Year Ended June 30, 2009

Cash flows from operating activities:	
Decrease in net assets	\$ (6,749)
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation	958
Change in current assets and liabilities:	
Grant receivable	(43,186)
Other receivable	(2,001)
Due from Inter-Tribal Council	(3,151)
Accounts payable	12,085
Accrued payroll	(23,881)
Deferred revenue	(10,179)
Due to Inter-Tribal Council	32,325
Compensated absences payable	<u>2,257</u>
Net cash used by operating activities	<u>(41,522)</u>
Cash flows used by investing activities:	
Purchase of property & equipment	<u>(1,662)</u>
Cash flows from financing activities:	
Cash overdraft	20,791
Payments on line of credit	<u>(3,270)</u>
Net cash provided by financing activities	<u>17,521</u>
Net decrease in cash	(25,663)
Cash, beginning of year	<u>44,955</u>
Cash, end of year	<u>\$ 19,292</u>
Supplemental information:	
Interest paid	<u>\$ 122</u>

The accompanying notes are an integral part of this statement.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Institute for Indian Development, Inc. (the Institute) was chartered as a non-profit corporation July 15, 1981, in the parish of East Baton Rouge, state of Louisiana. The stated purpose of the corporation is "...to operate exclusively for educational, cultural development, charitable literacy, scientific research purposes..." for Native Americans living in Louisiana. Institute policies and procedures are set by the Board of Trustees, comprised of the chairperson of each of the eight state recognized Tribes domiciled in Louisiana.

B. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Institute is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Basis of Accounting

The accompanying financial statements of the Institute have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Statement of Cash Flows

For purposes of the statement of cash flows, the Organization considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

E. Revenues and Support

The Institute receives its grant contract support from the U.S. Department of Health and Human Services and the U.S. Department of Labor.

F. Income Tax Status

The Institute is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Institute has not been classified by the IRS as a private foundation.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

G. Equipment

Fixed assets are recorded at cost and consist entirely of office equipment. Depreciation expense is calculated on the straight line method over the assets' estimated useful lives of five to ten years. It is the Institute's policy to capitalize asset purchases costing \$500 or greater.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Vacation and Sick Leave

Vacation leave is accrued when earned for administrative and programmatic employees. Sick leave is lost if not taken prior to year-end, however, vacation time vests. Accordingly, accrued compensation for future absences includes only unused vacation time at June 30, 2009.

J. Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

(2) Cash

The Institute maintains six checking accounts with a local financial institution which were all fully insured against loss at June 30, 2009.

(3) Retirement Plan

The Institute for Indian Development, Inc. participates in a simplified employee pension plan (SEP) through a life insurance company for its full-time employees with a minimum of one year of service. A SEP is a program under which the employer makes contributions to individual retirement accounts of employees. The amount of the Institute's contributions for 2009 totaled 10% of the eligible employees' annual salary. Contributions totaled approximately \$19,789 for the year ended June 30, 2009.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(4) Related Party and Shared Costs

The Institute shares facilities/personnel with another nonprofit corporation related through several common board members. Based on a grantor agency directive, no formal indirect cost allocation method is employed. Common costs not specifically identifiable by entity/program are allocated based on estimated program usage.

(5) Contingent Liabilities

The Institute is the grantee of four federally-assisted programs. These programs are subject to compliance audits by the grantor. As of June 30, 2009, there were no contingent liabilities arising from grantor audits.

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets are scholarship funds consisting of cash contributions received which are restricted solely for educational expenses to qualified recipients.

(7) Concentrations of Risk

The Institute receives substantially all funding from federal grants. A significant reduction in the level of funding by these grant agencies would have a material impact on the Institute's activities.

SUPPLEMENTARY INFORMATION

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2009

ASSETS						
	General	AOA	Project Venture	SCSEP	Scholarship	Navigator
Current assets:						
Cash	\$ 5,440	\$ 666	\$ -	\$ 11,366	\$ -	\$ -
Receivables:						
Grant	-	2,576	28,776	20,778	-	27,452
Other	-	-	-	2,001	-	-
Due from Inter-Tribal Council	-	292	467	2,392	-	-
Due from other programs	-	245	3,234	-	1,853	282
Total current assets	5,440	3,779	32,477	36,537	1,853	27,734
Non-current assets:						
Equipment	3,475	-	3,939	5,771	-	-
Less: accumulated depreciation	(3,475)	-	(788)	(4,279)	-	-
Total non-current assets	-	-	3,151	1,492	-	-
Total assets	\$ 5,440	\$ 3,779	\$ 35,628	\$ 38,029	\$ 1,853	\$ 27,734
						\$ 112,463
LIABILITIES & NET ASSETS						
Current liabilities:						
Cash overdraft	\$ -	\$ -	\$ 20,791	\$ -	\$ -	\$ -
Accounts payable	159	525	11,033	11,792	-	1,547
Accrued payroll	-	-	-	24,745	-	-
Deferred revenue	-	3,065	-	-	-	-
Due to Inter-Tribal Council	6,138	-	-	-	-	26,187
Due to other programs	6,592	189	653	-	-	-
Compensated absences payable	-	350	1,003	3,595	-	-
Total current liabilities	12,889	4,129	33,480	40,132	-	27,734
Long-term liabilities:						
Compensated absences payable	-	526	1,505	5,391	-	-
Total liabilities	12,889	4,655	34,985	45,523	-	27,734
Net assets (deficit):						
Unrestricted	(7,449)	(876)	643	(7,494)	-	-
Temporarily restricted	-	-	-	-	1,853	-
Total net assets (deficit)	(7,449)	(876)	643	(7,494)	1,853	-
Total liabilities & net assets	\$ 5,440	\$ 3,779	\$ 35,628	\$ 38,029	\$ 1,853	\$ 27,734
						\$ 112,463

The accompanying notes are an integral part of this statement.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Statement of Activities
For The Year Ended June 30, 2009

	General	AOA	Project Venture	SCSEP	Scholarship	Navigator	Total
Revenues and support:							
Contributions	\$ 4,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,094
Federal grants	-	75,506	175,075	1,796,665	-	52,452	2,099,698
Total revenues	4,094	75,506	175,075	1,796,665	-	52,452	2,103,792
Expenses:							
Program services -							
Social services	-	72,885	175,022	-	-	-	247,907
Employment assistance	-	2,963	-	1,796,971	-	52,452	1,852,386
Total program services	-	75,848	175,022	1,796,971	-	52,452	2,100,293
Supportive services -							
Management and general	10,991	-	-	-	119	-	11,110
Depreciation expense	-	-	788	170	-	-	958
Total supportive services	10,991	-	788	170	119	-	12,068
Total expenses	10,991	75,848	175,810	1,797,141	119	52,452	2,112,361
Change in net assets	(6,897)	(342)	(735)	(476)	(119)	-	(8,569)
Net assets (deficit), beginning of year	(552)	(534)	1,378	(7,018)	1,972	-	(4,754)
Net assets (deficit), end of year	\$ (7,449)	\$ (876)	\$ 643	\$ (7,494)	\$ 1,853	\$ -	\$ (13,323)

The accompanying notes are an integral part of this statement.

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Institute for Indian Development, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of the Institute for Indian Development, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2009, and have issued our report thereon dated January 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Institute for Indian Development, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute for Indian Development, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Institute for Indian Development, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-1(IC) and 09-2(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Institute for Indian Development, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Institute for Indian Development, Inc.'s response to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the Institute's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Institute's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 16, 2012

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Institute for Indian Development, Inc.
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the Institute for Indian Development, Inc. (a nonprofit corporation) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2009. The Institute for Indian Development, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the major federal program is the responsibility of the Institute for Indian Development, Inc.'s management. Our responsibility is to express an opinion on the Institute for Indian Development, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute for Indian Development, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Institute for Indian Development, Inc.'s compliance with those requirements.

In our opinion, the Institute for Indian Development, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-3(C) through 09-6(C).

Internal Control Over Compliance

The management of the Institute for Indian Development, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Institute for Indian Development, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute for Indian Development Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-3(C) through 09-6(C) to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Institute for Indian Development, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Institute for Indian Development, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information of the Institute's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 16, 2012

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Expenditures
U.S Department of Labor:		
Senior Community Service Employment Program Title V	17.235	\$ 1,796,665
Disability Program Navigator	17.266	<u>52,452</u>
Total U.S. Department of Labor		<u>1,849,117</u>
U.S. Department of Health and Human Services:		
Administration on Aging- Grants to Indian Tribes Title VI	93.047	75,506
Project Venture	93.959	<u>175,075</u>
Total U.S. Department of Health and Human Services		<u>250,581</u>
Total Federal Expenditures		<u>\$ 2,099,698</u>

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Institute for Indian Development, Inc. (the Institute). All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in Note 1 to the Institute's basic financial statements for the year ended June 30, 2009.

(3) Relationship to Financial Statements

Federal awards expenditures are reported in the Institute's Statement of Activities as components of unrestricted expenses. The difference in totals is due to depreciation/purchase price differences and compensated absences used/accrued differences. The following details federal awards expenditures:

Social services	\$ 250,581
Employment assistance	<u>1,849,117</u>
Total	<u>\$2,099,698</u>

(4) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports except for the changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. Two significant deficiencies in internal control were disclosed by the audit of the financial statements. None were considered to be material weaknesses.
3. No instances of noncompliance were disclosed by the audit of the financial statements.
4. No material weaknesses in internal control over the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133 are reported in this schedule.
7. The major program was: Senior Community Service Employment Program (CFDA Number 17.235).
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Compliance Findings --

There were no compliance findings for the year ended June 30, 2009.

Internal Control Findings --

09-1 (IC) Qualifications to Apply GAAP

Finding --

The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Corrective Action –

The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

09-2 (IC) Controls over Disbursements

Finding –

The Organization did not have controls in place requiring expenditures to be properly documented and approved prior to disbursement. Travel advances and expenses were paid to employees without proper documentation being submitted in a timely manner.

Corrective Action –

The Organization requires a purchase order to be submitted before travel advances are disbursed. The purchase order includes dates of trip, purpose of trip, per diem amount according to federal regulations, lodging expenses, and other expenses like shuttle, baggage charge, gas, etc. Purchase order should be submitted seven days prior to the trip. During times of unplanned necessary travel, purchase order may be accepted up to two days prior to trip. The purchase order must be approved by the Supervisor and Executive Director before being disbursed. Travel advances must be reconciled within 45 days of disbursement. If an advance is not reconciled within 45 days, employee will not be eligible for another advance until the first one is reconciled. Travel expenses will be reimbursed with proper documentation and with Supervisor and Executive Director's approval. Proper documentation means receipts from gas station only, itemized hotel bill, receipts from taxi, shuttle, airport, etc. Receipts obtained from hotel at check-in time will not be accepted. Bank or credit card statements will not be acceptable forms of documentation. Finance Administrator will review travel expense reports for accuracy and proper documentation before final approval by Supervisor and/or Executive Director.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

DEPARTMENT OF LABOR:

Compliance Findings –

Senior Community Service Employment Program (17.235):

09-3(C) Allowable Charges

Criteria

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

OMB Circular A-122, Attachment A, section (2) paragraph (g) states that to be allowable charges to awards must be adequately documented.

Condition

The Organization paid travel expenses prior to travel documentation being properly completed and approved.

Questioned Costs

Receipts were not provided for expenses totaling \$384. A business purpose was not provided for expenses totaling \$123. Travel expenses paid without proper supporting documentation totaling \$507 are questioned costs.

Effect

The Organization improperly paid travel expenses on behalf of other programs and without proper supporting documentation.

Cause

The Organization did not have policies and procedures in place to ensure travel documentation was prepared timely, properly approved, and supported with proper documentation prior to payment.

Recommendation

Appropriate written policies and procedures should be established to ensure that all travel documentation is completed timely with proper approval and support attached before any reimbursements to employees or invoices are paid.

Planned Corrective Action and Management's Response

Prior to January 1, 2011, the Organization accepted bank and/or credit card statements for gas purchases. It was also policy to accept written statements for gas purchases without a receipt for under \$100 twice per year per employee.

09-4(C) Salaries and Wages

Criteria

OMB Circular A-122, Attachment B, subsection (8) states that charges to awards for salaries and wages will be based on documented payrolls approved by responsible officials of the organization. The distribution of salaries and wages must be supported by personnel activity reports which meet the standards in subparagraph (2). Subparagraph (2) states that reports reflecting the distribution of activity to each employee must be maintained for all staff members whose compensation is charged,

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

in whole or in part, directly to awards. Reports maintained by non-profit organizations to satisfy these requirements must meet the following standards: (a) They must reflect an after-the-fact determination of the actual activity of each employee, (b) they must account for the total activity for which each employee is compensated, (c) they must be signed by the employee, or by a responsible supervisory official having firsthand knowledge of the activities performed by the employee, and (d) they must be prepared at least monthly and must coincide with one or more pay periods.

Condition

The Organization did not have adequate supporting documentation to support the distribution of salaries for employees.

Questioned Costs

There are no specific questioned costs relative to this finding.

Effect

Payroll expenditures charged to the program may not be accurate.

Cause

Policies and procedures were not implemented to require employees to maintain the proper documentation required by OMB Circular A-122.

Recommendation

Appropriate written policies and procedures need to be established to insure that personnel activity reports are prepared and include all required information.

Planned Corrective Action and Management's Response

This finding was identified during the Department of Labor's monitoring completed in September 2009 resulting in the Organization changing the payroll expenditure policy. Effective January 2010, all staff that were paid by more than one program are required to complete a daily time study. This form is used each pay period to determine actual time spent on each program. With the use of this form, payroll expenditures are based on actual time spent and not budget estimates.

09-5(C) Cash Management

Criteria

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

29 CFR Part 95.21, section (2) states that cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

Condition

The Organization received cash advances in excess of amounts needed to cover immediate costs of the program.

Questioned Costs

There are no specific questioned costs relative to this finding.

Effect

The Organization had excess cash on hand.

Cause

Appropriate policies and procedures were not in place to ensure that only amounts needed to meet current financial obligations were requested by the Organization.

Recommendation

Policies and procedures should be implemented to ensure that requested advances are properly calculated and include only amounts needed to meet immediate cash requirements.

Planned Corrective Action and Management's Response

This finding was identified during the Department of Labor monitoring in September 2009. The Organization's policy was amended at that time and it is still followed presently. The Organization no longer keeps cash on hand. The Finance Manager keeps accurate records for spending and cash to ensure that there is no cash on hand.

09-6(C) Indirect Cost Rate

Criteria

OMB Circular A-122, Attachment A, section (d) paragraph (b) states where an organization has several major functions which benefit from its indirect costs in varying degrees, allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefiting

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate.

Condition

The Organization is managing multiple programs and does not have an approved indirect cost rate.

Questioned Costs

There are no specific questioned costs relative to this finding.

Effect

Amounts charged to each program for indirect costs may not be accurate.

Cause

The Organization did not develop an approved indirect cost rate with the Regional Cost Negotiator.

Recommendation

The Organization should contact the Regional Cost Negotiator and develop an indirect cost rate so that indirect costs may be properly allocated to the various programs.

Planned Corrective Action and Management's Response

After the Department of Labor September 2009 monitoring, the Organization began working with the Regional Cost Negotiator for an indirect cost rate. At that time it was determined that the Organization did not need an indirect cost rate and could continue operating with a cost allocation plan. The Organization had an approved cost allocation plan for program year 09-10 and program year 10-11. The Organization is still working with the Regional Cost Negotiator on determining an indirect cost rate. Negotiations cannot move any further until a completed audit report is submitted.

Internal Control Findings --

See items 09-3(C) through 09-6(C) above.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.
Baton Rouge, Louisiana

Schedule of Prior Year Findings
Year Ended June 30, 2009

Compliance Findings –

There were no compliance findings for the year ended June 30, 2008.

Internal Control Findings –

08-1 (IC) Qualifications to Apply GAAP

Finding –

The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Corrective Action –

The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.